



Texas Department of Health

Eduardo J. Sanchez M.D., M.P.H.
Commissioner

1100 West 49th Street
Austin, Texas 78756-3199

<http://www.tdh.state.tx.us>
1-888-963-7111

Gary R. Bego
Chief Operating Officer

Charles Bell, M.D.
Executive Deputy Commissioner

**TO: Kidney Health Care Recipients
Kidney Health Care Providers**

**FROM: Debra Wanser, R.N., M.P., Aff.
Associate Commissioner
Associateship for Family Health**

DATE: November 4, 2002

SUBJECT: Kidney Health Care Client Services Benefits for Fiscal Year 2003

Kidney Health Care client services benefits for medical, travel and drug services will remain the same in Fiscal Year 2003, unless demand for services and cost projections exceed available funding. The number of clients provided benefits in Fiscal Years 2002 and 2003 is projected to be 21,762 and 23,503 respectively, an increase of 8% for each fiscal year. The following KHC client services benefits may be subject to changes if client services projections exceed the available funding:

1. Medical benefits for dialysis and access surgery services.
2. Travel benefits for dialysis and transplant patients.
3. Drug benefits for all patients.

Based on current projections, medical and travel reimbursement rates will remain the same for both providers and clients. Also, drug benefits will continue with the same limitations and control measures used in Fiscal Year 2002. Prior Approval Drug Programs will continue for designated drugs.

Renagel will continue to be provided based on available funding of \$1.5 million of general revenue and projected rebate revenue received from Genzyme Corporation this fiscal year.

KHC is projecting to serve 25,853 clients in Fiscal Year 2004 and 28,438 clients in Fiscal Year 2005, which represents a 10% increase for each fiscal year. Client Services expenditures for Fiscal Years 2002 and 2003 are expected to be about \$20 million and \$22 million respectively. In Fiscal Years 2004 and 2005, it is estimated that over \$25 million and \$28 million respectively will be needed to maintain current client services benefits. The client services base budget is about \$21.5 million. In order to meet demand for services in Fiscal Years 2004 and 2005, additional funding of about \$10 million for the next biennium is being requested from the Texas Legislature.

KHC has developed a contingency plan to address the client services budget if demand for services exceeds projections, or if additional funding is not appropriated by the Legislature. KHC will be conducting community input meetings throughout the state in order to receive input from clients and stakeholders before adopting and implementing the options in the contingency plan.

If you have any questions, please call Phil Walker, Bureau Chief, Kidney Health Care, at (512) 834 – 6770.

